



# Transaction Privilege Tax Changes and News

This publication is an informational notice included with the July 2006 Transaction Privilege Tax Return.

## CITY OF SIERRA VISTA

**Effective September 1<sup>st</sup>, 2006:** On June 26th, 2006 the Mayor and City Council of the City of Sierra Vista passed ordinance number 2006-013. Ordinance 2006-013 increases the Sierra Vista City Privilege Tax on rental of real property from **0% to 1%**. The tax on rental of real property shall be reported using **SR013**. Ordinance 2006-013 also adopts local option "T" which exempts income derived from the rental, leasing or licensing of real property to a corporation provided that the lessor's aggregate holdings in the lessee corporation amount to at least eighty percent of the voting stock of the lessee corporation.

On June 26th, 2006 the Mayor and City Council of the City of Sierra Vista passed ordinance number 2006-014. Ordinance 2006-014 **increases** the Sierra Vista City Privilege Tax from **1.5% to 1.75%** on the following classifications:

Advertising; Amusements; Feed at Wholesale; Job Printing; Manufactured Buildings; Timbering and other extraction; Publishing and Rental of tangible personal property.

Ordinance 2006-014 **increases** the Sierra Vista City Privilege Tax from **1.6% to 1.75%** on Retail and Use Tax.

Ordinance 2006-014 also increases the Sierra Vista City Privilege Tax on Construction contracting; construction contractors, Construction contracting; speculative builders and Construction contracting owner-builders who are not speculative builders from **1.5% to 2.45%**. The tax on Construction contracting shall be reported using **SR015**.

The increase imposed by ordinance 2006-014 shall not apply to construction contracts entered into prior to the effective date of the ordinance. Pre-existing construction contracts should be reported using **SR006** at a rate of **1.5%**.

The following reporting codes are effective September 1st, 2006:

Privilege Tax	SR000	1.75%
Use Tax	SR002	1.75%
Restaurant/Bar	SR003	2.60%
Hotel/Motel	SR004	5.50%
Pre-existing Construction Contracts	SR006	1.50%
Utilities/Telecommunications	SR008	2.00%
Jet Fuel	SR009	\$0.02/gal
Rental of real property	SR013	1.00%
Construction Contracting	SR015	2.45%

## RENTAL OCCUPANCY TAX, MEMBERSHIP CAMPING CLASSIFICATION AND TIMBER SEVERANCE TAX REPEAL

**Effective October 31, 2006:** HB 2876 (Chapter 354) passed by the Legislature and signed by Governor Napolitano repealed the following: Rental Occupancy Tax (class 028), Transaction Privilege Tax under the Member Camping Classification (class 047), and Timber Severance Tax (classes 020, 021, and 022).

More information will follow in future monthly notices. Please refer to our website at [www.azdor.gov](http://www.azdor.gov) for updated information